GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:159
ANSWERED ON:15.07.2004
SELECTION OF DEALERS AND ALLOTMENT OF DISTRIBUTORSHIP FOR OIL MARKETING
Shaheen Shri Abdul Rashid

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the selection of Dealers and allotment of distributorship is made by the Oil marketing companies as per their own guidelines;

(b) if so, the manner in which the Government exercises its control over them;

(c) the details of the system put in place by the Government to ensure that the lack of its own control may not lead to corruption and acts prejudicial to public interest; and

(d) the benefits yielded by the said system to the Government?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS(a) TO (d) OF THE LOK SABHA STARRED QUESTION NO.159 BY SHRI ABDUL RASHID SHAHEEN TO BE ANSWERED ON 15TH JULY, 2004 REGARDING SELECTION OF DEALERS AND ALLOTMENT OF DISTRIBUTORSHIP FOR OIL MARKETING

(a) to (d): In order to provide operational and commercial freedom to the oil marketing companies (OMCs) , the Government have authorized them to select dealers/distributors for retail outlet dealerships (petrol pumps), LPG distributorships and SKO-LDO dealerships. While asking the OMCs to frame their own guidelines for the purpose, the Government have advised them of certain broad and objective parameters for inclusion in the guidelines. The OMCs have accordingly framed their guidelines and have been making selection of dealers/distributors as per these guidelines. The Government do not have any further role in the process.
The guidelines of the OMCs have been framed after detailed consideration so as to ensure that provisions are clear and transparent and the chances for possible acts of omissions and commissions by the selection committees are kept to the minimum. The guidelines contain detailed provisions for enquiry into complaints and decision thereon by the competent authority.

Though the Government do not have any role in the selection process, based on the nature and content of any complaint received by the Government, it is got inquired into and remedial action taken.